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CIA defends OPEC cut in exports

WASHINGTON [UPI]—The Central Intelligence Agency has defended the OPEC oil cartel's cuts in petroleum exports as conservation measures similar to moves under study in the United States, it was disclosed Sunday.

Testifying at a closed-door congressional hearing, CIA analyst John Eckland said the Organization of Petroleum Exporting Countries is "doing the same thing that the State of Alaska is doing."

Eckland, the chief of CIA's petroleum supply analysis center, told the House Intelligence Committee's oversight panel that the OPEC cuts could be compared to conservation studies ordered by Alaskan officials.

He said the State of Alaska has called in consulting firms to determine how fast oil can be pumped from Prudhoe Bay without causing damage to the field.

"ALL OF THOSE studies say that Prudhoe Bay starts to decline around 1986," the analyst said.

He said production can be kept at about 1.5 million barrels a day until about 20 per cent of the oil has been pumped, but "is going to inevitably fall" from then on.

"Now, OPEC countries are getting these sorts of answers on their oil fields," Eckland said. "They are facing a need to try to preserve and stretch out this resource."

A transcript of the closed-door hearing, which was held Oct. 17, was released Sunday by Rep. Les Aspin (D., Wis.), chairman of the oversight subcommittee.

MAURICE ERNST, the CIA's economic research director, said the Soviet Union is not to blame for OPEC's cuts.

Ernst told the committee the Soviet Union has energy problems of its own and would make them worse by increasing the price the Kremlin must pay for imported oil.

In addition, he said, the Soviet Union doesn't have the clout to get the oil-exporting nations to cut back exports even if it decided such a move would be in its best interests.

"I would say so far, the Soviets simply do not have the influence over the oil-producing countries that would enable them to reduce or to affect the oil supplies, even if they wanted to," he said.

Ernst told the subcommittee that Soviet oil production was expected to peak this year or next and to start declining "within a year or two after that."